

PRINCIPLES FOR LONG-TERM STUDENT FEE POLICY



FEE POLICY COMMITTEE

PRINCIPLES FOR LONG-TERM STUDENT FEE POLICY

Report of the Fee Policy Committee Representing
the University of California,
the University of California Student Body Presidents' Council,
the California State University,
the California State Student Association,
the Hastings College of the Law,
the students of the Hastings College of the Law,
the staff of the Senate and Assembly Education and Fiscal Committees,
the Office of the Legislative Analyst,
the California State Department of Finance,
and the California Postsecondary Education Commission

Convened by the California Postsecondary Education Commission
in response to Supplemental Language to the 1984-85 Budget Act



Distributed for the
FEE POLICY COMMITTEE
by the

California Postsecondary Education Commission
1020 Twelfth Street, Sacramento, California 95814

Additional copies of this report may be obtained from the Librarian, California Postsecondary Education Commission, 1020 Twelfth Street, Sacramento, California 95814, or (916) 322-8031. Please ask for Report 84-40.

CONTENTS

	<u>Page</u>
INTRODUCTORY COMMENT	1
RECOMMENDED POLICIES	3
APPENDICES	
A. Committee Processes and Participants	7
B. Optional Fee Setting Methodologies	11
C. Segmental Policies and Procedures	33

INTRODUCTORY COMMENT

This report presents the conclusions of a group -- the "Fee Policy Committee" -- convened by the California Postsecondary Education Commission under the following direction in the Supplemental Report of the 1984 Budget Act:

It is the intent of the Legislature to adopt a long-term student fee policy. The California Postsecondary Education Commission (CPEC) shall convene meetings of the University of California, California State University, Hastings College of the Law, staff of the appropriate legislative policy and fiscal committees, Department of Finance, Legislative Analyst, authorized student representatives, and the CPEC. The participants shall develop recommendations on a long-term student fee policy and specific fee level calculation methodologies. The CPEC shall report the recommendations to the Chairpersons of the Joint Legislative Budget Committee, the appropriate policy committees, and the committees which consider appropriations by January 1, 1985 (Items 6440-001-001, 6600-001-001, and 6610-001-001).

In accordance with this legislative directive, the Commission convened the specified representatives for meetings over a four-month period. The Committee's procedures required that the participants review and criticize successive drafts of policy elements and optional methodologies (see Appendices A and B). In representing the concerns of their organizations, the participants brought a wealth of individual experience to these deliberations. Each participant did his or her best to bring objectivity to the discussions, and the consensus reflected in the recommendations of this report is firmly based on extensive and informed discussion and analysis. I join with the Committee in urging that the Governor, Legislature, and the segments adopt the policies recommended.

The Legislature's charge to the Committee is the most recent expression of continuing concern about current practices that allowed University fees to nearly double and State University fees to triple over the course of three years. Although the Legislature adopted statements of fee policy in the Supplemental Report of the 1982 Budget Act and in legislation for the State University (AB 1251, Moore, 1983), the State lacks permanent, consistent policy for setting fees at the University, the State University, and the Hastings College of the Law.

The Committee accepted the legislative premise that explicit State, long-term, student fee policy is desirable. For many years, student fee issues were resolved by segmental governing boards, with little precise State direction or concern. In large part, this stability resulted from implicit State policy that kept fee levels remarkably low, both absolutely and in contrast to those in other states. But absence of explicit State formulas or directives did not, it can be argued, necessarily mean lack of State concern. Rather, it was recognition that the sometimes conflicting concerns of the many interested parties could best be resolved by political processes of negotiation and compromise, both within the segments (see Appendix C) and by the State.

The State's financial difficulties in 1981-82 raised serious questions about the continued reliance on State direction that was only implicit. At the time the Legislature first asked the Commission to study fees (ACR 81, 1982), the overriding concern was the impact of the dramatically increasing student fees on access to higher education. The Commission's response, insofar as it applied to the four-year segments, recommended State policy that would protect students by making fee increases gradual, moderate, and reasonably predictable. However satisfactory these recommendations may have been at the time, they did not -- and, in context, probably could not -- address two other major concerns:

- The State's responsibility to provide a stable environment for State and segmental planning, both fiscal and programmatic.
- The State's responsibility to isolate, to the extent possible, issues of student fee level and use from the State's annual review of segmental budgets.

The Fee Policy Committee's recommendations in this present report recognize these additional State responsibilities while continuing the protection afforded to students under the Commission's ACR 81 recommendations. In keeping with the letter and spirit of the legislative directive, the participants came to committee deliberations with their convictions that settled, long-term student fee policy was more important and more urgent than any particular point of view put forward in the past. The recommendations are not a mere amalgamation of discrete items of special interest, but reflect true compromise on an integrated student fee policy.

The Fee Policy Committee recommends that the proposed policy elements be enacted into law, and that the proposed methodology be adopted as budgetary formulas by the appropriate State executive and legislative fiscal agencies and by the governing boards of the University, the State University, and Hastings

Finally, I should like to thank all of those who participated in the development of these recommendations for their patience, candor, and willingness to cooperate. This is their report, and I am pleased to submit it on their behalf.



Patrick M. Callan, Director
California Postsecondary
Education Commission
Sacramento, California
December 31, 1984

RECOMMENDED POLICIES AND METHODOLOGY

1. General Principles

To keep fees as low as possible, the State shall bear the primary responsibility for the cost of providing postsecondary education, but students shall be responsible for a portion of the total cost associated with their education. Increases, if necessary, of mandatory systemwide student fees in the University of California, the Hastings College of the Law, and the California State University shall be gradual, moderate, predictable, and shall be equitable among the students in each segment.

2. Establishment of Segmental Policy

The governing boards of the University of California, the Hastings College of the Law, and the California State University shall establish long-term policies applicable to all student fees that are consistent with State policy, that require fees to be equitable, and that assure that fee increases, if necessary, are gradual and moderate. The governing boards will assure that the policies are determined after consultation with appropriate student representatives.

3. Use of Fee Revenues

The governing boards of the University of California, the Hastings College of the Law, and the California State University shall establish policies for the expenditure of revenues from student fees. In establishing or modifying such policies, the governing boards shall solicit and consider recommendations submitted by the segmental administrations developed in consultation with appropriate student representatives. Each segment shall establish formal consultative processes for this purpose. Such policies shall be consistent with State long-term fee policy as applied in the normal budgetary process. The University of California, Hastings College of the Law, and the California State University shall not impose mandatory systemwide fees for California residents that produce revenues to offset the costs related to instruction as determined by segmental policies.

4. Predictability of Fees

To avoid disrupting family and student expectations and ongoing institutional programs, mandatory systemwide student fees in the University of California, the Hastings College of the Law, and the California State University shall be fixed as prescribed by State policy by the segmental governing boards at least 10 months prior to the fall term in which they become effective.

5. State Role in Fee Determination and Methodology

The Governor and Legislature shall, wherever applicable, in determining State appropriations for the University of California, the Hastings College of the Law, and the California State University, include in

their determination the level of fees fixed by each governing board if the following conditions are met:

- a. the segmental governing board has adopted and has adhered, or plans to adhere, to long-term student fee policies that prescribe a specific methodology for determination of fees;
- b. the segmental methodology requires that annual changes in fees be indexed to a three-year moving average of changes in state support per FTE student. The base for each segment shall be either (1) all state support budget appropriations except state appropriations for instruction, organized activities, research, public services and teaching hospitals, or (2) all state support budget appropriations. State appropriations for capital outlay and financial aid shall not be part of the base.
- c. the fee increase or decrease in any one year does not exceed 10 percent of the fee for the prior year, any excess increase or decrease as calculated by the methodology being carried forward and applied to subsequent years, up or down to the 10 percent limit;
- d. state funds will be adjusted in the annual budget to reflect the difference between budgeted cost increases for salary and nonsalary expenditures and the revenue resulting from the fee as calculated by this methodology.

6 Unusual State Fiscal Circumstances

In the event that State revenues and expenditures are in substantial imbalance because of factors unforeseen by the Governor and Legislature, such as initiative measures, natural disasters, or sudden deviations from expected economic trends, mandatory, systemwide student fees may be increased or decreased, provided, however, that such fee increases or decreases in any one year shall not exceed 10 percent of the fee for the prior year.

7. Student Financial Aid to Offset Fee Increases

When systemwide, mandatory student fees are raised in the University of California, the Hastings College of the Law, or the California State University in accordance with State policy, the State shall provide sufficient student financial aid, as determined by State financial aid policy, to offset the additional fees for students with demonstrated financial need, as provided by Section 66021 of the Education Code.

8. Postbaccalaureate Fees

The University of California, the Hastings College of the Law, and the California State University shall not impose different mandatory, systemwide fees on postbaccalaureate students than are imposed on undergraduate students, provided, however, that nothing in this policy shall obligate the State for any costs that might be associated with elimination of higher fees existing in 1984-85.

9. Information and Monitoring

As part of annual State and segmental budgetary processes and at other times when requested by the Governor or Legislature, the University of California, the Hastings College of the Law, the California State University, and appropriate State executive and legislative fiscal agencies shall report on State long-term student fee policy and on the procedures and methodologies that implement such policy.

10. Long-term Student Financial Aid Policy

In the course of developing a long-term student fee policy, the committee recognized the necessity for a comprehensive state policy on student financial aid. However, the committee recognized that such was beyond the scope of its present effort. Therefore, the committee recommends that during 1985 the Legislature direct a comprehensive study of policy issues related to student financial aid to be completed as soon as possible

APPENDIX A

COMMITTEE PROCESSES AND PARTICIPATION

The processes by which the Fee Policy Committee reached its recommendations began in late July 1984, continued until the report was complete, and required bringing together two components:

- Policy Elements. The listing and refining of the issues and general principles that should guide the State and the segments in determining student fees.
- Methodology. The determination of which one of a number of alternative computational procedures would best implement the general principles.

The Legislative directive for the project determined the organizations that were to make recommendations. In late July 1984, the Commission asked each of these to designate a representative to the Committee. At the same time, an independent consultant, Frank Bowen, was retained by the Commission to assist the Committee in planning and undertaking the project.

Table 1 details participation in Fee Policy Committee activities by the several organizations. It outlines the activities in which the Committee engaged (across the top) and the participants (in the left column). The numbering of the various activities across the top of Chart 1 corresponds to the numbering of these in the description that follows.

The first or planning phase of the project identified relevant issues and appropriate procedures:

1. Appointment in mid-August 1984 by the participating organizations of representatives to the Fee Policy Committee.
2. Interviews in late August and early September 1984 by the consultant of these representatives and of others familiar with recent fee policy proposals to learn of the issues and suggestions for procedures.
3. Preparation and, on September 15, 1984, distribution of a discussion paper by the consultant to the participants.
4. The first Committee meeting on September 27, 1984, in which the issues were clarified and procedures agreed on.

The second phase of project focused on initial drafts of the policy elements and of an inventory of possible methodologies. It comprised the following activities:

5. Preparation and, on October 6, 1984, distribution of the consultant's initial draft of the policy elements to the participants.

6. A meeting on October 9, 1984, at which a draft of optional methodologies and analytic and informational problems were discussed. The discussion was based on a working paper prepared by the Commission staff in consultation with staff of the Legislative Analyst's Office
7. Telephonic and written responses by committee members to questions asked in the October 6th draft.
8. A meeting on October 18, 1984, in which alternative policy elements and methodologies were discussed, and the consultant given directions for the next draft.

The third phase consisted of two additional redrafts of the policy elements criticism of these drafts, and the completion of analyses of the optional methodologies:

9. Preparation and, on October 26, 1984, distribution of the consultant's 1st redraft of the policy elements to participants.
10. Written responses by Committee members to questions on the first redraft.
11. Preparation and, on November 13, 1984, distribution of the 2nd redraft of the policy elements to the participants.
12. A two-day Committee meeting on November 19-20, 1984. At this meeting, substantial agreement was reached on both the policy elements, and, with minor exceptions, on the implementing methodology.

The fourth and final phase of the Committee's work consisted of:

13. Preparation and, on November 28, 1984, distribution of the final draft of the policy elements by the consultant to Committee members.
14. Preparation, and on December 7, distribution of the final draft recommendation of the fee setting methodology by Commission staff to committee members.
15. Written comments on the final draft prepared and, on December 7, 1984, distributed by Committee members to all other members.
16. The final Committee meeting on December 13, 1984.

Table 1 summarizes the work of the committee and the participation of its various members in attending meetings of the Committee and responding to materials prepared for the Committee. Table 2 lists the individuals who were appointed as representatives to the Committee, along with other participants from the various organizations, agencies and institutions with interest in the development of fee policy.

TABLE 1 Activities and Participation of Student Fee Policy Committee Representatives

Member Appointed to Committee	Inter- view	9/15	9/27	10/6	10/9	10/6	10/26	10/26	10/18	10/26	11/13	11/19-20	11/28	12/7	12/13
		Mailing 3	Meeting 4	Mailing 5	Meeting 6	Response 7	Meeting 8	Mailing 9	Response 10	Mailing 11	Meeting 12	Mailing 13	Comments 14	Meeting 15	
Postsecondary Education Segments	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
University of California Administration	X	X	X	X	X	X	X	X	X	X	X	X	X		X
University of California Students	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
California State University Administration	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
California State University Students	X	X	X	X	X	X	X	X	X	X	X	X	X		X
Hastings College of the Law Administration	X		X		X	X	X	X	X	X	X	X	X		X
Hastings College of the Law Students	X		X		X			X	X		X				
<u>Legislative Staff</u>															
Senate Finance Majority Staff	X	X	X	X	X	X		X	X	X	X	X	X	X	X
Senate Education Majority Staff	X	X	X	X	X	X		X	X	X	X	X	X		X
Senate Finance and Education Minority Staff	X	X	X		X				X	X	X	X			
Assembly Ways and Means Majority Staff	X	X			X				X	X	X	X	X		
Assembly Ways and Means Minority Staff	X	X	X	X	X		X		X	X	X	X	X		
Assembly Education Majority Staff	X	X	X	X	X				X	X	X	X	X		X
Assembly Education Minority Staff															
Office of the Legislative Analyst	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
<u>State Agencies and Others</u>															
Department of Finance	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
California Postsecondary Education Commission	X	X	X	X	X	X	X	X	X	X	X	X	X		X
Governor's Office		X	X		X	X	X	X	X	X	X	X	X		

TABLE 2 Student Fee Policy Committee Representatives and Other Participants

University of California Administration:	Lawrence Hershman* Alice Cox* A.T. Brugger Doug McKenzie Mary Beth Snyder
University of California Students:	Ron Balestrieri* Jim Lofgren
California State University Administration:	John Smart* John Richards Dale Hanner
California State University Students:	Curtis Richards* Ed Van Ginkel Paul Knepprath
Hastings College of the Law Administration:	Jack Padilla*
Hastings College of the Law Students:	Kevin McCarthy*
Senate Finance Majority Staff:	Dan Wall*
Senate Education Majority Staff	Bill Whiteneck* Karen Lowery
Senate Finance and Education Minority Staff:	Nancy Borow*
Assembly Ways and Means Majority Staff:	Dale Shimasaki*
Assembly Ways and Means Minority Staff:	Bill Furry*
Assembly Education Majority Staff:	Bill Chavez*
Department of Finance:	Carl Rogers* Yoseh Fujiwara Stan Lena
Office of the Legislature Analyst:	Stuart Marshall* Sue Burr Chuck Lieberman
California Postsecondary Education Commission:	Patrick Callan Marjorie Dickinson
Governor's Office:	Lowell Paige
Student Aid Commission	Ted Ternes
California Maritime Academy:	Joseph Ekelund Harry Brown

* Segmental, agency, or organization representative

APPENDIX B

Alternative Fee Setting Methodologies

The Committee identified eleven different methodologies for adjusting fee levels. Appendix B describes each methodology and compares the effects of each, had they been in effect over the last ten years, to actual fees over that period for each segment (Tables 1-2, pp. 30-31). One of the options, Option G, which would have related student fee levels directly to costs of student services, was not simulated, and because of the lack of comparative data, was dropped from consideration.

<u>Option</u>	<u>Page</u>
A	13
B	15
C	17
D	19
E	21
F	23
G	25
H	26
I	27
J	28
K	29

OPTION A

Description: "The level of student charges [for a full-time undergraduate student] at the University of California should be 40 percent to 50 percent of the average of the sum of the State General Fund appropriations and property tax revenues for the previous three years for the support of full-time-equivalent students in public postsecondary education as recommended in the final response to ACR 81, Resolution 23, Statutes of 1982" (Supplemental Report of the 1982 Budget Act, Item 6440-001-001, #12).

"Student charges [for a full-time undergraduate student] in the California State University shall be set and adjusted according to the following formula. The level of charges for the California State University shall be within 10 percent to 20 percent of the average of the sum of the General Fund appropriations and property tax revenues for the previous three years for the support of full-time-equivalent students in public postsecondary education" (Chapter 1014, Statutes of 1983).

Calculation:

UC Range = .40 x State Support Average
 to .50 x State Support Average

CSU Range = .10 x State Support Average
 to .20 x State Support Average

Where the State Support Average is the product of total State appropriations (i.e., State General Fund, COFPHE, ERF, and other State funds) for the previous three years for the University of California, California State University, Hastings College of the Law, and the California Community Colleges plus property tax revenues for the support of Community Colleges divided by the average total FTE at the University of California, California State University, Hastings College of the Law plus total ADA at the California Community Colleges. In a formula

Three-Year Total Appropriations for Postsecondary Education	=	State Support Average
Three-Year Total ADA & FTE		
in Postsecondary Education		

Variations: This option represents the ACR 81 recommendations for undergraduate full-time fee levels. ACR 81 also called for the University and State University to "charge graduate and professional postbaccalaureate students 5 to 10 percent more than resident undergraduate students in the same segment" and for the University to charge professional postbaccalaureate students in selected disciplines between 15 and 20 percent above resident charges for other postbaccalaureate students under certain conditions. AB 1251 contained no separate provisions for postbaccalaureate students.

ACR 81 also assumed that Hastings' students would be charged the same fees and UC law students.

The calculation of graduate fees under this variation would be as follows:

Graduate fees = 1.05 x Undergraduate fees at same segment
to 1.10 x Undergraduate fees at same segment

Post-
baccalaureate fees = 1.15 x Graduate fees at same segment
to 1.20 x Graduate fees at same segment

Data Needs:

1. Total State General Fund Appropriations for current operations for UC, Hastings, and CCC (local assistance and State operations)
2. Total other State funds for current operations for UC, CSU, Hastings, CCC (i.e., COFPHE, ERF)
3. Total Property Tax Revenues for Local Assistance support of CCC
4. Full-time-equivalent enrollment at UC, CSU, and Hastings
5. Average Daily Attendance at CCC

Simulation:

OPTION A

	California State University		University of California	
	Fee Level	Percent Change	Fee Level	Percent Change
1974-75	\$153 - 305	--	\$ 611 - 753	--
1975-76	166 - 332	8.5 - 8.8%	664 - 832	8.7 - 10.2%
1976-77	178 - 356	7.2 - 7.2	712 - 890	7.2 - 7.2
1977-78	194 - 389	8.8 - 9.2	778 - 972	9.3 - 9.2
1978-79	217 - 433	11.9 - 11.3	867 - 1,083	11.4 - 11.4
1979-80	242 - 485	11.5 - 12.0	970 - 1,212	11.9 - 11.9
1980-81	267 - 534	10.3 - 10.1	1,067 - 1,334	10.0 - 10.0
1981-82	291 - 583	9.0 - 9.2	1,166 - 1,458	9.3 - 9.3
1982-83	310 - 621	6.5 - 6.5	1,242 - 1,552	6.5 - 6.4
1983-84	320 - 641	3.2 - 3.2	1,282 - 1,602	3.2 - 3.2
1984-85	330 - 660	3.1 - 3.0	1,318 - 1,648	2.8 - 2.9
Cumulative % Change	116 - 116%		116 - 119%	

OPTION B

Description: The level of student charges for a full-time undergraduate student at the University of California should be _____ percent to _____ percent of the average of the sum of the State General Fund appropriations for current operations for the previous three years for the support of each full-time-equivalent students in the University of California.

The level of student charges for a full-time undergraduate student at the California State University should be _____ percent to _____ percent of the average of the sum of the State General Fund appropriations for current operations for the previous three years for the support of each full-time-equivalent students in the California State University.

The level of student charges at Hastings should be the same as that for law students at University of California law schools.

Note: This option is conceptually very similar to Option A, except that it develops fee levels for each segment based on total State appropriations (i.e., State General Fund, COFPHE, ERF, and other State funds) for current operations of that segment rather than for postsecondary education as a whole

Variation: Resident graduate and professional postbaccalaureate students could be charged 5 to 10 percent more than resident undergraduates in the same segment. Professional postbaccalaureate students in selected disciplines could be charged an additional 15 to 20 percent above resident charges for other postbaccalaureate students. The calculation would be the same as for graduate and postbaccalaureate fees under Option A.

Calculation:

Segmental range for undergraduates:

. _____ x Three-Year Total State General Fund Support for Segment
Three-Year Total Segment FTE

to

. _____ x Three-Year Total State General Fund Support for Segment
Three-Year Total Segment FTE

Data Needs:

1. Total State General Fund appropriations for current operations for UC, CSU, Hastings
2. Total Other State Funds for current operations for UC, CSU
3. Full-time-equivalent enrollment at UC, CSU

Simulation: Two simulations are provided here. The first replicates as much as possible ACR 81 by calculating the percentage for the ranges to

achieve the same fee levels in 1982-83 that the ACR 81 ranges achieved. As a result, the CSU's 10-20 percent range in ACR 81 translates into a 7.8-15.6 percent range in this option. For UC, the 40-50 percent range translates to 14.6-18.2 percent under this option.

The second variation establishes a single percent of per FTE segmental appropriations as the fee for a full-time student. The percent was derived by calculating what percent of total per FTE appropriations was represented by the full-time fee charged in 1974-75. Thus, in 1974-75, the \$194 charged to CSU students represented 11.3 percent of FTE support, and the 11.3 percent was used to simulate fee levels for the subsequent years. The same process was used to derive the UC percent of 17.6 percent.

OPTION B Variation 1

	California State University		University of California	
	<u>Fee Level</u>	<u>Percent Change</u>	<u>Fee Level</u>	<u>Percent Change</u>
1974-75	\$133 - 267	--	\$ 535 - 666	--
1975-76	149 - 299	12.0 - 12.0%	590 - 735	10.3 - 10.4%
1976-77	164 - 329	10.1 - 10.0	649 - 809	10.0 - 10.1
1977-78	182 - 365	11.0 - 10.9	735 - 916	13.3 - 13.2
1978-79	201 - 402	10.4 - 10.1	821 - 1,024	11.7 - 11.8
1979-80	219 - 439	9.0 - 9.2	898 - 1,119	9.4 - 9.3
1980-81	242 - 485	10.5 - 10.5	977 - 1,218	8.8 - 8.8
1981-82	273 - 546	12.8 - 12.6	1,094 - 1,364	12.0 - 12.0
1982-83	299 - 598	9.5 - 9.5	1,203 - 1,500	10.0 - 10.0
1983-84	296 - 592	- 1.0 - -1.0	1,274 - 1,588	5.9 - 5.9
1984-85	294 - 589	- .7 - -.5	1,349 - 1,681	5.9 - 5.9
Cumulative % Change	121 - 121%		152 - 152%	

OPTION B Variation 2

	California State University		University of California	
	<u>Fee Level</u>	<u>Percent Change</u>	<u>Fee Level</u>	<u>Percent Change</u>
1974-75	\$193	--	\$ 645	--
1975-76	216	11.9%	711	10.2%
1976-77	238	10.2	782	10.0
1977-78	264	10.9	886	13.3
1978-79	291	10.2	990	11.7
1979-80	318	9.3	1,082	9.3
1980-81	351	10.4	1,177	8.8
1981-82	395	12.5	1,319	12.1
1982-83	433	9.6	1,451	10.0
1983-84	429	- .9	1,535	5.8
1984-85	427	- .5	1,626	5.9
Cumulative % Change	121%		152%	

OPTION C

Description: The level of student charges for a full-time undergraduate student at the University of California should be _____ percent to _____ percent of the average of the sum of the State General Fund appropriations for current operations for the previous three years for the support of each headcount student in the University of California.

The level of student charges for a full-time undergraduate student at the California State University should be _____ percent to _____ percent of the average of the sum of the State General Fund appropriations for current operations for the previous three years for the support of each headcount student in the California State University.

The level of student charges at Hastings should be the same as that for law students at University of California law schools

Note: This option is the same as Option B, except that it develops fee levels for each segment based on total State appropriations for headcount students rather than FTE students.

Variation Resident graduate and professional postbaccalaureate students could be charged 5 to 10 percent more than resident undergraduates in the same segment. Professional postbaccalaureate students in selected disciplines could be charged an additional 15 to 20 percent above resident charges for other postbaccalaureate students. The calculation would be the same as for graduate and postbaccalaureate fees under Option A.

Calculation:

Segmental range for undergraduates.

. _____ x Three-Year Total State General Fund Support for Segment
Three-Year Total Segment Headcount Enrollment

to

. _____ x Three-Year Total State General Fund Support for Segment
Three-Year Total Segment Headcount Enrollment

Data Needs

1. Total State General Fund appropriations for current operations for UC, CSU, Hastings
2. Total Other State Funds for current operations for UC, CSU
3. Headcount enrollment at UC, CSU

Simulation:

OPTION C

	California State University		University of California	
	<u>Fee Level</u>	<u>Percent Change</u>	<u>Fee Level</u>	<u>Percent Change</u>
1974-75	\$194	--	\$ 645	--
1975-76	215	10.8%	716	11.1%
1976-77	234	8.8	790	10.3
1977-78	258	10.2	894	13.2
1978-79	282	9.3	999	11.7
1979-80	307	8.7	1,094	9.5
1980-81	339	10.4	1,188	8.6
1981-82	384	13.3	1,328	11.8
1982-83	422	9.9	1,453	9.4
1983-84	418	- 0.1	1,538	5.8
1984-85	419	0.0	1,531	- 0.5

OPTION D

Description: "Changes in a particular segment's fees will be tied to a percentage change in expenditures for that segment. The specific adjustment factor for future changes in the level of fees for a segment is a three-year moving average of the [State] General Fund appropriation for the segment less the amounts appropriated for Instruction, Research, Organized Activities, Public Service, and Teaching Hospitals" [June 6, 1984, draft from Senate Finance staff].

Each segment's budget is comprised of the following line items:

- UC:
- * 1. Instruction and Departmental Research
 - * 2. Research
 - 3. Academic Support
 - a Libraries
 - *b. Other
 - * 4. Public Service
 - * 5. Teaching Hospitals
 - 6. Student Services
 - 7. Institutional Support
 - 8. Operation and Maintenance of Plant
 - 9. Student Financial Aid
 - 10. Auxiliary Enterprises
 - 11. Provisions for Allocation
 - 12. Program Maintenance: Fixed Costs, Economic Factors, and Actions Required as a result of 1983-84 Decisions
 - 13. Special Regents Programs
- Hastings:
- * 1. Instruction Program
 - * 2. Public and Professional Services Program
 - 3. Academia Support Program - Law Library
 - 4. Student Services Program
 - 5. Institutional Support Program
- CSU:
- * 1. Instruction
 - * 2. Public Service
 - 3. Academic Support
 - 4. Student Service
 - 5. Institutional Support
 - 6. Independent Operations
 - 7. Auxiliary Organizations
 - 8. Unallocated Salary Increase
 - * 9. Research (prior to 1981)

In each case, the fee level for a particular year would be set by adjusting the fee level in the previous year by the average annual change in State General Fund appropriations for all line items other than Instruction, Research, and Public Service for the three years previous to the year for which the fee level is being established. In some cases (i.e., Special Regents Programs, Auxiliary Enterprises, no State General Funds are appropri-

ated). In others (i.e., Provisions for Allocation, Unallocated Salary Increases), funds may have to be distributed among other line items.

The fee level for undergraduate and graduate students in each segment would be calculated according to this formula:

$$\text{Next Year Fee} = \text{Current Year Fee} + (\text{Current year fee} \times 3 \text{ year moving average percent change in General Fund appropriations less specified exemptions})$$

Comment: Because of different roles, missions, and organizational structures, each segment's budget takes a different configuration. In order to be consistent with the intent of this language and treat each segment as equitably as possible, the Fee Policy Committee identified with an asterisk the line items in each segment's budget that are to be exempted from the fee calculation.

Data Needs:

- 1 Total State General Fund appropriations for current operations for UC, CSU, and Hastings, less support for Instruction, Research, Organized Activities, Public Service, and Teaching Hospitals.

Simulation:

OPTION D

	California State University		University of California	
	<u>Fee Level</u>	Percent Change	<u>Fee Level</u>	Percent Change
1974-75	\$194	--	\$ 646	--
1975-76	228	17.5%	737	14.1%
1976-77	258	13.1	845	14.6
1977-78	290	12.5	972	15.0
1978-79	327	12.9	1,096	12.8
1979-80	361	10.1	1,214	10.8
1980-81	407	12.8	1,372	13.1
1981-82	467	14.8	1,580	15.2
1982-83	525	12.5	1,794	13.5
1983-84	526	.2	1,920	7.1
1984-85	482	- 8.4	1,949	1.5
Cumulative % Change	149%		202%	

OPTION E

Description: Changes in a particular segment's fees will be tied to a percentage change in per FTE student expenditures for that segment. The specific adjustment factor for future changes in the level of fees for a segment is a three-year moving average of the [State] General Fund appropriation for the segment less the amounts appropriated for Instruction, Research, Organized Activities, Public Service, and Teaching Hospitals.

Note: This is identical to Option D except that it develops fee levels for each segment based on changes in General Fund support per FTE student rather than overall.

Each segment's budget is comprised of the following line items:

- UC:
- * 1. Instruction and Departmental Research
 - * 2. Research
 - 3. Academic Support
 - a. Libraries
 - *b. Other
 - * 4. Public Service
 - * 5. Teaching Hospitals
 - 6. Student Services
 - 7. Institutional Support
 - 8. Operation and Maintenance of Plant
 - 9. Student Financial Aid
 - 10. Auxiliary Enterprises
 - 11. Provisions for Allocation
 - 12. Program Maintenance: Fixed Costs, Economic Factors, and Actions Required as a result of 1983-84 Decisions
 - 13. Special Regents Programs
- Hastings:
- * 1. Instruction Program
 - * 2. Public and Professional Services Program
 - 3. Academic Support Program - Law Library
 - 4. Student Services Program
 - 5. Institutional Support Program
- CSU:
- * 1. Instruction
 - * 2. Public Service
 - 3. Academic Support
 - 4. Student Service
 - 5. Institutional Support
 - 6. Independent Operations
 - 7. Auxiliary Organizations
 - 8. Unallocated Salary Increase
 - * 9. Research (prior to 1981)

In each case, the fee level for a particular year would be set by adjusting the fee level in the previous year by the average annual change in State General Fund appropriations for all line items other than Instruction,

Research, and Public Service for the three years previous to the year for which the fee level is being established. In some cases (i.e., Special Regents Programs, Auxiliary Enterprises, no State General Funds are appropriated). In others (i.e., Provisions for Allocation, Unallocated Salary Increases), funds may have to be distributed among other line items.

The fee level for undergraduate and graduate students in each segment would be calculated according to this formula:

$$\text{Next Year Fee} = \text{Current Year Fee} + (\text{Current year fee} \times 3 \text{ year moving average percent change in per FTE student General Fund appropriations less specified exemptions})$$

Comment: Because of different roles, missions, and organizational structures, each segment's budget takes a different configuration. In order to be consistent with the intent of this language and treat each segment as equitably as possible, the Fee Policy Committee identified with an asterisk the line items in each segment's budget that are to be exempted from the fee calculation.

Data Needs:

1. Total State General Fund appropriations for current operations for UC, CSU, and Hastings, less support for Instruction, Research, Organized Activities, Public Service, and Teaching Hospitals.
2. FTE enrollment in each segment.

Simulation:

OPTION E

	California State University		University of California	
	<u>Fee Level</u>	Percent Change	<u>Fee Level</u>	Percent Change
1974-75	\$194	--	\$ 646	--
1975-76	221	14.2%	706	9.2%
1976-77	245	10.6	774	9.7
1977-78	273	11.4	872	12.6
1978-79	305	11.9	977	12.0
1979-80	339	11.1	1,085	11.1
1980-81	382	12.5	1,215	12.0
1981-82	435	13.9	1,368	12.6
1982-83	481	10.5	1,517	10.9
1983-84	476	- 1.1	1,595	5.1
1984-85	434	- 8.8	1,609	9
Cumulative				
% Change	124%		149%	

OPTION F

Description: Changes in a particular segment's fees will be tied to a percentage change in per headcount student expenditures for that segment. The specific adjustment factor for future changes in the level of fees for a segment is a three-year moving average of the [State] General Fund appropriation for the segment less the amounts appropriated for Instruction, Research, Organized Activities, Public Service, and Teaching Hospitals

Note This is identical to Option D and E except that it develops fee levels for each segment based on changes in General Fund support per headcount student rather than overall or for FTE student.

Each segment's budget is comprised of the following line items:

- UC:
- * 1. Instruction and Departmental Research
 - * 2. Research
 - 3. Academic Support
 - a. Libraries
 - *b. Other
 - * 4. Public Service
 - * 5. Teaching Hospitals
 - 6. Student Services
 - 7. Institutional Support
 - 8. Operation and Maintenance of Plant
 - 9. Student Financial Aid
 - 10. Auxiliary Enterprises
 - 11. Provisions for Allocation
 - 12. Program Maintenance: Fixed Costs, Economic Factors, and Actions Required as a result of 1983-84 Decisions
 - 13. Special Regents Programs
- Hastings:
- * 1. Instruction Program
 - * 2. Public and Professional Services Program
 - 3. Academia Support Program - Law Library
 - 4. Student Services Program
 - 5. Institutional Support Program
- CSU:
- * 1. Instruction
 - * 2. Public Service
 - 3. Academic Support
 - 4. Student Service
 - 5. Institutional Support
 - 6. Independent Operations
 - 7. Auxiliary Organizations
 - 8. Unallocated Salary Increase
 - * 9. Research (prior to 1981)

In each case, the fee level for a particular year would be set by adjusting the fee level in the previous year by the average annual change in State General Fund appropriations for all line items other than Instruction, Research, and Public Service for the three years previous to the year for

which the fee level is being established. In some cases (i.e., Special Regents Programs, Auxiliary Enterprises, no State General Funds are appropriated). In others (i.e., Provisions for Allocation, Unallocated Salary Increases), funds may have to be distributed among other line items.

The fee level for undergraduate and graduate students in each segment would be calculated according to this formula:

$$\text{Next Year Fee} = \text{Current Year Fee} + (\text{Current year fee} \times 3\text{-year moving average percent change in per headcount student General Fund appropriations less specified exemptions})$$

Comment: Because of different roles, missions, and organizational structures, each segment's budget takes a different configuration. In order to be consistent with the intent of this language and treat each segment as equitably as possible, the Fee Policy Committee identified with an asterisk the line items in each segment's budget that are to be exempted from the fee calculation.

Data Needs:

1. Total State General Fund appropriations for current operations for UC, CSU, and Hastings, less support for Instruction, Research, Organized Activities, Public Service, and Teaching Hospitals.
2. Headcount enrollment in each segment.

Simulation:

OPTION F

	California State University		University of California	
	<u>Fee Level</u>	Percent Change	<u>Fee Level</u>	Percent Change
1974-75	\$194	--	\$ 646	--
1975-76	220	13.6%	711	10.1%
1976-77	241	9.3	783	10.1
1977-78	266	10.5	867	10.7
1978-79	296	11.1	951	9.7
1979-80	328	10.9	1,065	12.0
1980-81	369	12.5	1,185	11.3
1981-82	421	14.2	1,328	12.0
1982-83	458	8.6	1,421	7.0
1983-84	454	- 0.8	1,491	5.0
1984-85	417	- 8.3	1,487	- 0.3

OPTION G

Description. "Student services fee revenues shall be used to fund only the following student services: (a) social and cultural activities; (b) supplementary educational services, except remedial programs required by the university; (c) counseling and career guidance; (d) financial aid administration; (e) student health services; (f) student admissions and records; [and] (g) other student services found by the Student Services Fee Advisory Committee to be appropriately funded by student services fee revenue. . . . It is the policy of the Legislature that the student services fee level shall be adjusted annually by the percentage change in the costs of student service identified [above]."

Calculation: The fee level would be calculated according to this formula:

Next Year Fee = Current Year Fee + (Current Year Fee x percent
change in cost of student services funded from
student services fee revenues)

Data Needs: Detailed data on the costs of student services in categories (a) through (f). Identification of "other student services" appropriately funded by student fees in category (g).

Simulation:

Please see the note on page 11.

OPTION H

Description: "Set the [fee] revenue requirement within a range of 6.8 percent to 13.6 percent of the total budget," where total budget is defined as "all programs of the Support Budget regardless of source of funds" except for student financial aid (grants and matching funds, independent operations, capital outlay, auxiliary organizations, Federal Trust Fund, and Special Funds. "Set the [fee level] in terms of a two-tier system . . . the two tiers should be one tier for 0 to 6.0 units and a proportionally higher fee for students enrolled for over 6.0 units." "Base the fee revenue [target] and therefore fee levels for the next academic year on the present authorized budget" (California State University, Report of the Student Fee Advisory Group, August 1984).

Calculation: The calculation of fee levels requires two steps. (1) calculation of the Fee Revenue Target ranges, and (2) calculation of student fee levels, as follows:

- $$\begin{aligned} (1) \text{ Fee Revenue Target} &= 068 \times \text{Current authorized budget as defined} \\ &\quad \text{for next academic year to } 136 \times \text{Current authorized budget as defined} \\ (2) \text{ Full-Time Fee} &= \frac{\text{Revenue Target}}{\text{Full-Time Enrollment} + .58 \text{ Part-Time Enrollment}} \\ \text{Part-Time Fee} &= .58 \text{ Full-Time Fee} \end{aligned}$$

Data Needs:

1. Total Support (from all funds) for instruction, academic support, public service, student services (except financial aid), and institutional support.
2. Number of students enrolled for more than six units
3. Number of students enrolled for six units or less.

Simulation:

OPTION H

	California State University		University of California	
	<u>Fee Level</u>	<u>Percent Change</u>	<u>Fee Level</u>	<u>Percent Change</u>
1974-75	\$194	--	\$ 598	--
1975-76	210	8.5%	645	7.9%
1976-77	236	12.5	740	14.7
1977-78	259	9.7	805	8.8
1978-79	290	12.0	833	3.5
1979-80	295	1.7	970	16.4
1980-81	339	15.0	1,127	16.2
1981-82	398	17.4	1,170	3.8
1982-83	413	3.7	1,216	3.9
1983-84	416	0.8	1,282	5.4
1984-85	444	6.7	--	--

OPTION I

Description: The specific annual adjustment factor for student fees is a three-year moving average of the percent change in California's per-capita personal income.

Calculation:

Next Year's Fee = Current Year Fee + (Current Year Fee x 3-year moving average of the percent change in per-capita income)

Data Needs:

1. California per-capita personal income.

Simulation:

OPTION I

	California State University		University of California	
	<u>Fee Level</u>	<u>Percent Change</u>	<u>Fee Level</u>	<u>Percent Change</u>
1974-75	\$194	--	\$ 646	--
1975-76	211	8.8%	703	8.8%
1976-77	230	9.0	766	9.0
1977-78	251	9.2	836	9.2
1978-79	274	9.1	912	9.1
1979-80	302	10.3	1,006	10.3
1980-81	336	11.3	1,120	11.3
1981-82	375	11.6	1,250	11.6
1982-83	417	11.2	1,390	11.2
1983-84	453	8.6	1,510	8.6
1984-85	--	--	--	--

OPTION J

Description: The specific annual adjustment factor for student fees in each segment is a three-year moving average of the percent change in total support from all State sources for that segment.

Calculation:

Next Year's Fee = Current Year Fee + (Current Year Fee x 3-year moving average of the percent change in total State support)

Data Needs:

1 Total support from all State sources for UC, CSU, Hastings.

Simulation:

OPTION J

California State University			University of California		
	Fee Level	Percent Change		Fee Level	Percent Change
1974-75	\$194	--		\$ 646	--
1975-76	223	15.1%		745	15.3%
1976-77	252	13.0		857	15.0
1977-78	283	12.1		989	15.5
1978-79	315	11.4		1,117	12.9
1979-80	341	8.4		1,223	9.5
1980-81	378	10.6		1,342	9.7
1981-82	427	13.1		1,530	14.1
1982-83	480	12.4		1,737	13.5
1983-84	501	4.4		1,886	8.6
1984-85	501	--		1,905	1.0
Cumulative % Change	158%			195%	

OPTION K

Description: The specific annual adjustment factor for student fees in each segment is a three-year moving average of the percent change in total per FTE student support from all sources for that segment.

Note: This is identical to Option J except that it develops fee levels based on changes in State support per FTE student rather than overall

Calculation:

Next Year's Fee = Current Year Fee + (Current Year Fee x 3-year moving average of the percent change in total per-student State support)

Data Needs:

1. Total support from all State sources for UC, CSU, Hastings
2. Total FTE at UC, CSU, Hastings.

Simulation:

OPTION K

	California State University		University of California	
	<u>Fee Level</u>	<u>Percent Change</u>	<u>Fee Level</u>	<u>Percent Change</u>
1974-75	\$194	--	\$ 646	--
1975-76	217	11.7%	712	10.3%
1976-77	239	10.5	784	10.1
1977-78	266	11.0	887	13.2
1978-79	293	10.4	995	12.1
1979-80	321	9.4	1,093	9.9
1980-81	354	10.3	1,188	8.6
1981-82	397	12.2	1,324	11.5
1982-83	439	10.6	1,469	10.9
1983-84	453	3.1	1,565	6.6
1984-85	451	- 4	1,571	.4
Cumulative % Change	133%		143%	

TABLE 1 California State University - Comparison of Options

Option	A	B (1)	B (2)	C	D	E	F	G	H	I	J	K	Actual
1974-75	\$153 - 305 8 5 - 8 8%	\$133 - 267 12 0 - 12 0%	\$193 11 9%	\$194 10 8%	\$194 17.5%	\$194 14.2%	\$194 13 6%		\$194 8 5%	\$194 8 8%	\$194 15 1%	\$194 11 7%	\$194 --
1975-76	166 - 332 7 2 - 7 2	149 - 299 10 1 - 10 0	216 10 2	215 8 8	228 13 1	221 10 6	220 9 3		210 12 5	211 9 0	223 13 0	217 10 5	194 --
1976-77	178 - 356 8 8 - 9 2	164 - 329 11 0 - 10 9	238 10 9	234 10 2	258 12 5	245 11 4	241 10 5		236 9 7	230 9 2	252 12 1	239 11 0	194 --
1977-78	194 - 389 11 9 - 11 3	182 - 365 10 4 - 10 1	264 10 2	258 9 3	290 12.9	273 11 9	266 11 1		259 12 0	251 9 1	283 11 4	266 10 4	194 6 0%
1978-79	217 - 433 11 5 - 12.0	201 - 402 9 0 - 9 2	291 9 3	282 8 7	327 10.1	305 11 1	296 10 9		290 1 7	274 10.3	315 8 4	293 9 4	206 - 1 0
1979-80	242 - 485 10 3 - 10 1	219 - 439 10 5 - 10 5	318 10 4	307 10 4	361 12.8	339 12.5	328 12 5		295 15 0	302 11 3	341 10 6	321 10 3	204 8 8
1980-81	267 - 534 9 0 - 9 2	242 - 485 12 8 - 12 6	351 12 5	339 13 3	407 14 8	382 13 9	369 14 2		339 17 4	336 11 6	378 13 1	354 12 2	222 44 1
1981-82	291 - 583 6 5 - 6 5	273 - 546 9 5 - 9 5	395 9 6	384 9 9	467 12 5	435 10 5	421 8 6		398 3 7	375 11 2	427 12 4	397 10 6	320 37 8
1982-83	310 - 621 3 2 - 3 2	299 - 598 - 1 0 - -1 0	433 - 0 9	422 - 0 1	529 0 2	481 - 1 1	458 - 0 8		413 0 8	417 8 6	480 4 4	439 3 1	441 62 8
1983-84	320 - 641 3 1 - 3 0	296 - 592 - 0 7 - -0 5	429 - 0 5	418 0 0	526 - 8 4	476 - 8 8	454 - 8 3		416 6 7	453 --	501 --	453 - 0 4	702 - 7 5
1984-85	330 - 660	294 - 589	427	419	482	434	417		444	--	501	451	650
Cumulative Percent Change	116%	121%	121%	116%	149%	124%	115%		127%		158%	133%	235%
Average Annual Percent Change	8 9 - 8 1%	8 4 - 8 3%	8 4%	8 1%	9 8%	8 6%	8 2%		8 8%	(9 9)	10 1%	8 9%	15 1%

TABLE 2 University of California - Comparison of Options

Option	A	B (1)	B (2)	C	D	E	F	G	H	I	J	K	Actual
1974-75	\$ 611 - 753 8 7 - 10 2%	\$ 535 - 666 10.3 - 10 4%	\$ 645 10 2%	\$ 645 11 1%	\$ 646 14 1%	\$ 646 9 2%	\$ 646 10 1%		\$ 598 7 9%	\$ 646 8 8%	\$ 646 15 3%	\$ 646 10 3%	\$ 646 0 1%
1975-76	664 - 830 7 2 - 7 2	590 - 635 10 0 - 10.1	711 10 0	716 10 3	737 14 6	706 9 7	711 10 1		645 14 7	703 9 0	745 15 0	712 10 1	647 0 3
1976-77	712 - 890 9 3 - 9.2	649 - 809 13 3 - 13 2	782 13 3	790 13 2	845 15 0	774 12 6	783 10 7		740 8 8	766 9 2	857 15 5	784 13 2	649 8 9
1977-78	778 - 972 11 4 - 11 4	735 - 916 11 7 - 11 8	886 11.7	894 11 7	972 12 8	872 12 0	867 9.7		805 3 5	836 9 1	989 12 9	887 12 1	707 2 0
1978-79	867 - 1,083 11 9 - 11 9	821 - 1,024 9 4 - 9 3	990 9 3	999 9 5	1,096 10 8	977 11 1	951 12 0		833 16 4	912 10 3	1,117 9 5	995 9 9	721 2 1
1979-80	970 - 1,212 10.0 - 10 0	898 - 1,119 8 8 - 8 8	1,082 8 8	1,094 8 6	1,214 13 8	1,085 12.0	1,065 11 3		970 16 2	1,006 11 3	1,223 9 7	1,093 8 6	736 7 6
1980-81	1,067 - 1,334 9 3 - 9 3	977 - 1,218 12 0 - 12 0	1,177 12 1	1,188 11 8	1,372 15 2	1,215 12 6	1,185 12 0		1,127 3 8	1,120 11 6	1,342 14 1	1,188 11 5	776 28 5
1981-82	1,166 - 1,458 6 5 - 6 4	1,094 - 1,364 10 0 - 10 0	1,319 10 0	1,328 9 4	1,580 13 5	1,368 10 9	1,328 7 0		1,170 3 9	1,250 11 2	1,530 13 5	1,324 10 9	997 30 4
1982-83	1,242 - 1,552 3 2 - 3 2	1,203 - 1,500 5.9 - 5 9	1,451 5 8	1,453 5.8	1,794 7 1	1,517 5 1	1,421 5 0		1,216 5 4	1,390 8 6	1,737 8 6	1,469 6 6	1,300 6 7
1983-84	1,282 - 1,602 2 8 - 2 9	1,274 - 1,588 5 9 - 5 9	1,535 5 9	1,538 - 0 5	1,920 1 5	1,595 0 9	1,491 - 0 3		1,282 --	1,510 --	1,886 1 0	1,565 0 4	1,387 - 5 1
1984-85	1,318 - 1,648	1,349 - 1,681	1,626	1,531	1,949	1,609	1,487		--	--	1,905	1,571	1,317
Cumulative													
Percent Change	116 - 119%	152%	152%	137%	202%	149%	130%				195%	143%	106%
Average Annual													
Percent Change	8 03 - 8 2%	9 7 - 9 7%	9 7%	9 1%	11 8%	9 6%	8 8%		(9 0%)	(9 9%)	11 5%	9 4%	8 2%

APPENDIX C
SEGMENTAL POLICIES AND PROCEDURES

The following pages are the University of California's, California State University's, and Hastings College of the Law's statements of current practices in setting and adjusting fee levels. These practices would be subject to change if the principles recommended by the Fee Policy Committee are adopted.

	<u>Page</u>
Adjustment of Mandatory Systemwide Student Fees at the University of California	34
The California State University Adjustment of Mandatory Systemwide Fees	35
Hastings College of the Law Statement on Fee Setting Practices	36

ADJUSTMENT OF MANDATORY SYSTEMWIDE STUDENT FEES AT THE UNIVERSITY OF CALIFORNIA

Mandatory systemwide student fees (i.e., the Educational Fee and the University Registration Fee) at the University of California have historically been adjusted annually. Typically, The Regents consider a recommendation to adjust the Educational Fee and the University Registration Fee at their regular March meeting. The proposed fee adjustment has generally been based on several factors. First, because student fees at the University support financial aid and student services programs, the expected changes in salary and non-salary expenses for the upcoming year are considered. Second, general economic indicators (i.e., the consumer price index) are reviewed. Finally, any required adjustments resulting from gubernatorial or legislative actions affecting student fee-funded programs are calculated. These elements comprise the basic factors that have been used in developing recommendations for changes in student fee levels. During periods of fiscal emergency, it has been necessary on two occasions to levy a mid-year student fee surcharge. The amount of the surcharge was based on an analysis of the revenue required as a result of budget reductions. The final decision on all student fee matters remains with The Regents.

THE CALIFORNIA STATE UNIVERSITY ADJUSTMENT OF MANDATORY SYSTEMWIDE FEES

The mandatory systemwide student fees at the California State University through the 1984-85 fiscal year are the Student Services Fee and the State University Fee. The Student Services Fee has been in existence for many years (formerly known as the Material and Services Fee) and the procedures for adjusting it have been used since 1979-80. The methodology involves comparing the expenditures for specified Student Service programs and the reimbursements collected from the fee for the most recently completed fiscal year and the fiscal year currently in progress. The two-year data are averaged and divided by the projected enrollment to determine if a fee adjustment is warranted. Fee adjustments are contained in the Board of Trustees' Support Budget proposal each year.

The State University Fee was first implemented by the Board of Trustees in 1981-82 as an emergency measure in partial response to a mid-year budget reduction. Since that time, it has been adjusted each year as a reflection of the fiscal condition of the State. Except for the current year, 1984-85, when a small reduction was implemented, it has risen dramatically as a partial offset to major budget reductions.

In September 1984, the Board of Trustees adopted new fee policies that are to be effective in Fall 1985. These new policies are subject to current deliberations at the State level. The new policy combines the Student Services Fee and State University Fee together as the State University Fee. The fee level would be adjusted each year based on the revenue required. The amount of revenue required would be determined as a percentage of the total budget for the current year. The Board of Trustees would establish a fee schedule consistent with the determined revenue requirement.

HASTINGS COLLEGE OF THE LAW
STATEMENT ON FEE SETTING PRACTICES

Hastings College of the Law has set and adjusted the Mandatory Student Education and Registration Fees Annually in conjunction with the Annual Budget Process.

The Student Fees have been set and adjusted to develop the level of funding necessary to support the full direct costs of all the Student Financial Aid. In addition, Student Fees have been set and adjusted to support indirect Program costs of the Institutional Support and Operation and Maintenance of the Physical Plant that relate to the support of the Student Services and Financial Aid Programs.